



**US Army Corps
of Engineers®**
Philadelphia District

PROJECT FACT SHEET

Delaware River Main Channel Deepening DE, NJ, PA

September 2005

CONGRESSIONAL INFO: Sen. Biden DE, Sen. Carper DE, Rep. Castle DE-AL, Sen. Corzine NJ, Sen. Lautenberg NJ, Rep. Andrews NJ-1, Rep. LoBiondo NJ-2, Sen. Santorum PA, Sen. Specter PA, Rep. Brady PA-1, Rep. Weldon PA-7, Rep. Schwartz PA-13

ACTIVITY: Construction, General

TYPE: Navigation

PROJECT PHASE: Construction

AUTHORITY: The project was authorized for construction by Public Law 102-580, Section 101 (6) of WRDA 1992 and modified by Public Law 106-53, Section 308 of WRDA 1999.

LOCATION: The project area is located within the Delaware Estuary and borders Pennsylvania, New Jersey and Delaware. It extends over 100 miles of the Delaware River from Philadelphia Harbor, Pa. and Beckett Street Terminal in Camden, NJ to the mouth of the Delaware Bay.

PROJECT DESCRIPTION: The project calls for deepening the existing Delaware River Federal Navigation Channel from 40 to 45 feet from Philadelphia Harbor, Pa., and Beckett Street Terminal, Camden, N.J., to the mouth of the Delaware Bay, appropriate bend widening, and partial deepening of the Marcus Hook anchorage and relocation of and addition of aids to navigation. Dredged material would be placed by hydraulic and hopper dredges in confined upland disposal areas in the Delaware River portion of the project and for beneficial uses in Delaware Bay.

PROJECT STATUS: Since FY 99, Congress has appropriated funds for project construction. Construction has not been initiated as appropriate permit must first be obtained from the State of Delaware, resolution must be reached on more equitable distribution of dredged material with the State of New Jersey, and a Project Cooperation Agreement must be executed with the sponsor.

FINANCIAL DATA: (\$000)

Federal Cost:	\$161,205
Non-Federal Cost:	\$103,427
 Total Cost:	 \$264,632

BUDGET DATA: (\$000)

FY 01:	\$29,756	
FY 02:	\$10,000	
 FY 03:	 \$2,000	
FY 04:	\$9,000	
FY 05:	\$1,464	
FY 06:	\$0	President's Budget

SPONSOR: Delaware River Port Authority

CRITICAL ISSUES:

Economic Reanalysis. An audit and subsequent June 2002 report by the General Accounting Office recommended that the U.S. Army Corps of Engineers conduct a comprehensive economic reanalysis of project benefits and costs. The Corps completed this reanalysis in December 2002, concluding that the project is justified and should proceed toward construction. In January 2003, the Maritrans Operating Company L.P., a vessel lightering company, issued a public notice disputing the lightering data that the Corps had used to re-compute crude oil benefits. After numerous meetings and correspondence with Maritrans to review their concerns and develop a plan of action, the Corps agreed to conduct supplemental studies subject to independent technical review by an external panel.

The supplemental analysis was completed in January 2004. The analysis showed a benefit to cost ratio of 1.15. An independent external review panel reviewed the analysis. The External Review Panel found the Corps' overall benefits analysis for the majority of commodities to be sound, including the estimates of benefits from lightering, tanker operations and bulk vessel operations. They did cite uncertainties with respect to the container benefits, due largely to reliance on the forecasts and assumptions of a relatively small number of participants. In response to the panel's concerns on containership cargo, the Corps developed additional sensitivity analyses and documentation, which were incorporated into the February 2004 Supplement report. The Corps concluded that project justification was reasonable and supportable by the final economic analysis. The February 2004 supplemental report was approved on 12 March 2004 and on 19 March 2004, it was released to the public along with all the supporting documentation.

State of Delaware Permit. On January 19, 2001, the Corps applied for a Subaqueous Lands Permit from the State of Delaware. The State of Delaware held a public hearing December 4 and 5, 2001, to solicit comments on the Corps' application. In December 2002, a copy of the Corps' economic reanalysis report was provided to Delaware as a supplement to the original permit application. The state issued a public notice on May 14, 2003, soliciting comments on the reanalysis. The comment period ended July 14. The state also hired a consultant to review the economic benefits to the State of Delaware alone. The consultant's report was completed on October 3 and a copy was provided to the hearing officer. In December 2003, the hearing officer completed his report, which recommends denial of the permit and states that additional data/information is needed. The State of Delaware is in the process of addressing the hearing officer's findings.

State of New Jersey Coastal Zone. State of New Jersey Federal Coastal Zone Management Consistency Determination (CZM). On September 30, 2002, the New Jersey Department of Environmental Protection (NJDEP) stated it was revoking the Federal coastal zone consistency determination it had issued on August 29, 1997. The Corps responded on October 10, 2002 that although we were not aware of the state's authority to take that step, and that although the physical characteristics of the project were essentially unchanged over five years, we would still provide supplemental information to the 1997 determination. NJDEP then indicated in an

October 21 letter that they would complete their review within 90 days upon receipt of the Corps' economic reanalysis and an acceptable dredged material management plan.

A December 19, 2002 letter from the National Oceanic and Atmospheric Administration to NJDEP confirmed that the state could not revoke its concurrence for any type of federal action reviewed under the CZM, and recommended the Corps and the state continue to coordinate and consult on the issues already set forth. On January 14, 2003, we provided NJDEP a copy of our December 2002 economic reanalysis report.

The project sponsor, the Delaware River Port Authority (DRPA), is seeking ways both to reduce the amount of dredged material needing placement in the new South Jersey disposal sites and to more equitably distribute the material between Pennsylvania and New Jersey. In a letter dated September 21, 2004, from Governor of Commonwealth of Pennsylvania to Governor of New Jersey, the Commonwealth of Pennsylvania indicated that they are working on plan that could result in Pennsylvania taking a majority of dredged material that would otherwise be placed in New Jersey.

PCA EXECUTION. The Project Cooperation Agreement, though previously approved for execution on January 7, 2002 by the Assistant Secretary of the Army for Civil Works, will need to be re-coordinated again with HQUSACE and the project sponsor.

FUNDING. No funds are currently in the President's FY 2006 budget.

PROJECT MANAGER: Tom Groff
(215) 656-6738
thomas.w.groff@usace.army.mil